File

MAJESTIC WILEY
1979 ANNUAL REPORT

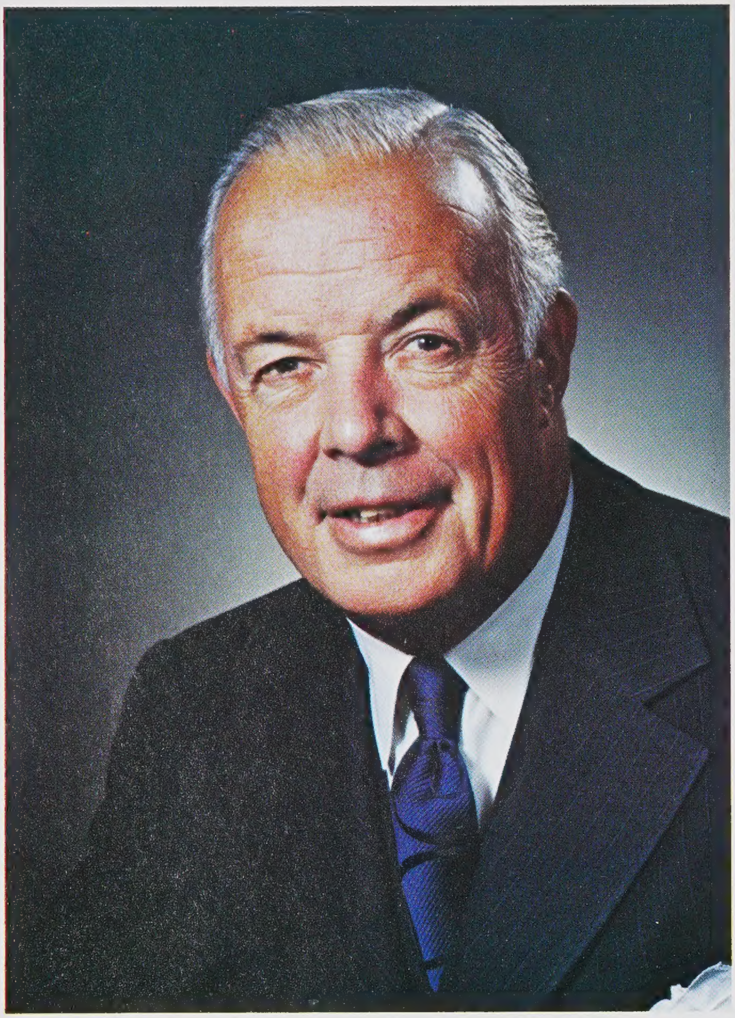
Contents

Financial Highlights

	1979	1978
Total revenues	$29,563,000	$48,514,000
Net (loss) income	$(440,000)	$2,690,000
(Loss) earnings per share	(5.3¢)	32.5¢
Shareholders' equity	$20,106,000	$20,456,000
Working capital	$14,192,000	$15,206,000

Market price range per share (high/low per quarter ended):

March 31	$3.60 – $2.65	$3.20 – $2.70
June 30	$3.55 – $2.80	$3.20 – $2.50
September 30	$4.75 – $3.25	$2.95 – $2.30
December 31	$5½ – $2.95	$3.00 – $2.35



J.M. Bankes, Chairman

V.N. Osadchuk, President

To Our Shareholders

1979 was a year of limited pipeline construction activity, in both Canada and the United States, and as a result, generated total revenue of $29,563,000 which is substantially below the revenues of approximately $48,000,000 recorded in each of the two previous years. The financial results were not profitable due in large measure to the highly competitive market relating to the pipeline construction industry. None the less, we continue to maintain a strong position in human, financial and physical resources.

At the 1978 year end, we had advised that substantial cost overruns relative to a project in northeastern British Columbia had been incurred and that a claim had been filed with the owner. Further, we had reported that no revenue relating to the claim had been recorded at that time. The financial status of the matter has not altered during the current year, however, the matter will be arbitrated in early 1980 and we are hopeful that the results of the arbitration can be reported and included in the first half of the calendar year 1980.

In keeping with the Company's expressed intentions to diversify its operations and broaden its earnings base during the year 1979, we concluded negotiations for the purchase of an energy related business. However, we regret to report that our application to the Foreign Investment Review Agency, to conclude the acquisition, was declined on December 19, 1979. We have, however, identified other acquisition prospects and have initiated discussions with the view of continuing our efforts towards conclusion of such acquisitions in order to achieve our originally defined goals.

Contrary to what had been anticipated, major pipeline construction projects in Canada and the United States did not materialize during 1979. However, the President of the United States recently announced the preliminary approval of the Northern Tier Pipeline. Should this project become a reality, your Company's branch in the United States is well equipped, with both equipment and management and is located ideally, to geographically handle the strong competition for any work.

The start on construction of the long planned Foothills Pipeline, to bring Alaska North Slope natural gas to United States markets, remains as elusive as ever. None the less, there are some encouraging signs, including the announcement last fall by the National Energy Board, to allow the export of 3.7 trillion cubic feet of natural gas to the United States, and we remain optimistic that this proposed pipeline will be built. In the meantime, the extension of gas transmission facilities to the Maritimes and Quebec can be contemplated. In addition, we expect additional gathering systems in Western Canada as well as additional transmission facilities in the central Canadian provinces.

As we previously reported, the Company continues to pursue international projects on a selective basis. In late 1978, we commenced preliminary discussions with a number of European corporations for the purpose of assembling a consortium capable of undertaking mega–projects which would include design, procurement, construction and commissioning. In addition, prequalification procedures were initiated and concluded, to the extent that the Company has now been prequalified and selected to participate in the tendering, along with several European and a Saudi Arabian participant, as a consortium on a project which will have a total value well in excess of one billion dollars. The project is to be constructed in Saudi Arabia and involves nearly 1,000 km. of 1,524 mm. of water pipeline plus the necessary pumping and storage facilities to transfer in excess of 830,000 cubic meters of desalinated water per day from the Persian Gulf to inland Saudi Arabia. Results of these efforts should be known by mid year 1980.

During the past year your Company was successful in constructing 286 km. of 254 mm. to 914.4 mm. of pipeline in British Columbia, Alberta and Ontario while the U.S. Pipeline Division's construction efforts completed 226 km. of 203.2 mm. to 914.4 mm. of pipeline, primarily in Minnesota, Iowa, and Michigan. J.L Cox & Son, Inc., our United States transportation and pipe–stringing subsidiary, continued to provide its usual satisfactory contribution to the Company's operations and earnings.

As mentioned earlier it was a difficult year for your Company. However, we continue to enjoy experienced, capable employees together with capital assets that place your Company in a sound position to take advantage of available opportunities. We should add that our United States operations have been strengthened by the appointment of Mr. James G. Nash. He has enjoyed many years of experience in the pipeline construction industry, and his addition should add to our participation in the United States market.

We wish to express our appreciation to our loyal and able employees. We also wish to express our gratitude to our shareholders for their continued confidence, and finally our sincere thanks are extended to our Board of Directors for their assistance and guidance throughout the year.

V.N. Osadchuk

V.N. Osadchuk
President and Chief Executive Officer

J.M. Bankes
Chairman of the Board

Review of the Year

Financial

Results for the year ended December 31, 1979 reflect consolidated revenues of $29,563,000 compared to $48,514,000 for the year ended December 31, 1978. The net loss for the current year amounts to $440,000 or 5.3¢ per share compared to net income of $2,690,000 or 32.5¢ per share for the 1978 fiscal year. Consolidated working capital declined during the year to $14,192,000 at December 31, 1979, resulting in a current ratio of 3.23 to 1 at that date.

With the lowest level of activity for the Canadian pipeline industry in a number of years, 1979 proved to be a very difficult year for pipeline contractors. However, the dramatic decline in revenues generated in Canada by the Company, was partially offset by increased revenues achieved by the Company's U.S. Pipeline Division. Unfortunately, primarily due to the high degree of competition for the work available, neither the Canadian or United States construction operations were successful in earning a profit during 1979. The Canadian transportation operations and the United State pipestringing operations did, however, record a profit during 1979.

General and administrative expenses increased by $110,000 during the year ended December 31,1979, primarily attributable to a full year's operations of the Company's U.S. Pipeline Division, less the reduced amount provided for under the terms of the Company's incentive compensation plan in 1979. Other income decreased during the year due to reduced gains on disposal of surplus equipment and unrealized losses on translation of a foreign currency to Canadian dollars. The income earned on short term investments of cash balances during 1979 was substantially higher than 1978 amounts.

The operating results for the fourth quarter of 1979 and for the comparable period in 1978 are as follows:

	1979	1978
Revenues	$14,039,000	$7,796,000
Expenses (net of other income)	14,573,000	5,991,000
(Loss) Income Before Income Taxes	(534,000)	1,805,000
Income Taxes	(345,000)	430,000
Net (Loss) Income	$(189,000)	$1,375,000
Per Share	(2.3¢)	16.6¢

The net income for the fourth quarter of 1979 was affected by the degree of competitiveness, adverse weather conditions in a number of areas and some questionable interpretations of x-ray film by a client's representative relating to a construction project in the United States. This matter is currently under review by the Company to ascertain whether or not a basis exists for a claim against the client. As noted in the 1978 Annual Report, the net income recorded during the fourth quarter of 1978 was impacted by the settlement of the Dempster Highway claim, the cost overrun on Phase I of the Grizzly project and the adjustment to income taxes resulting from recognition of investment tax credits and reduction of income tax provisions for prior years.

Set up tractor carrying one joint of 914.4 mm pipe to place on skids prior to the start of the welding operations.

Construction

Notwithstanding a depressed year in Canadian pipeline construction, the Company was awarded contracts during 1979 for the construction of a total of 286 kilometres of 254 mm to 914.4 mm of pipeline in British Columbia, Alberta and Ontario. The latest contract award of 133 kilometres of 304.8 mm to 609.6 mm pipeline in the Fort Nelson area of British Columbia is currently underway and will be completed around the end of the first quarter in 1980.

The Company's U.S. Pipeline Division experienced a reasonably active year in obtaining contracts for the construction of a total of 226 kilometres of 203.2 mm to 914.4 mm of pipeline in Iowa, Michigan, Minnesota and Wisconsin. All of these contracts are complete with the exception of some minor cleanup work to be performed after spring breakup in 1980.

J.L. Cox & Son, Inc., the Company's United States based pipeline stringing subsidiary, enjoyed an active and profitable year in 1979. In total that company was awarded contracts to haul and string or stockpile 800 kilometres of 254 mm to 1,066.8 mm pipe in Illinois, Indiana, Kansas, Michigan, North Carolina, Oklahoma, and Virginia. In progress at year end, was the contract to offload and stockpile 384 kilometres of 254 mm pipe in Kansas; this job will be completed during the first quarter of 1980.

Falcon Transport Ltd., the Company's oilfield transportation and support service subsidiary, reactivated its transportation operations during the year in Alberta. Although the results of such operations were profitable in 1979, management of the Company has decided to suspend the transportation operations of Falcon Transport Ltd. until the severely competitive nature of that industry improves. Equipment which cannot be assimilated into the Company's construction operations, will be disposed of during 1980.

Management

Mr. J.G. Nash was appointed Vice President, U.S. Operations effective May 11, 1979. Mr. Nash has overall responsibility for the operations of the U.S. Pipeline Division and is headquartered at Lakeville, Minnesota.

A line travel clean, prime and tape machine applying Polyken tape to 863.6 mm pipe.

Section of auger placed in casing prior to boring operation.

Boring a road crossing. The casing is installed by this operation and is used as the carrier pipe for the mainline pipe.

Welder completing a weld on 914.4 mm pipe utilizing the downhill method.

Continuous concrete coated 914.4 mm pipe with styrofoam floats attached for 2,600 meter swamp push section in Northern Minnesota. Floats are detached when pipe is in place.

Bending 863 6 mm pipe to fit the contours of the ditch

Summary of Accounting Policies

December 31, 1979 and 1978

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements are expressed in Canadian dollars and include the accounts of the Company and its subsidiaries, all of which are wholly owned, and its pro rata share, utilizing the proportionate consolidation method, of the assets, liabilities, revenues and expenses of joint ventures. All significant intercompany transactions and balances have been eliminated in consolidation.

TRANSLATION OF FOREIGN CURRENCIES

The accounts of the Company, its foreign subsidiary and joint ventures stated in foreign currencies, have been translated into Canadian dollars as follows:

a) as to current assets, except for prepaid expenses, and current liabilities, except for deferred income, at the exchange rate at year-end;
b) as to prepaid expenses, deferred income, property and equipment, including accumulated depreciation and deferred income taxes, at the approximate rate of exchange at the time the transaction occurred; and
c) as to revenues and expenses, at the average rate of exchange for the year, except for items relating to balance sheet accounts that are translated at historical exchange rates.

All translation gains and losses are included in the consolidated statements of income in accordance with generally accepted accounting principles applicable in Canada (1979 - loss of $33,000; 1978 - gain of $393,000).

ACCOUNTING FOR CONSTRUCTION CONTRACTS

Profits from construction contracts are recognized on the percentage of completion method. The percentage of completion is determined by relating the actual cost of work performed to date, to the current estimated total cost of the respective contracts. When the current estimated costs to complete indicate a loss, such losses are recognized immediately for accounting purposes. Income from claims is recorded in the periods such claims are resolved.

Unbilled work represents the excess of contract costs and profits recognized to date, on the percentage of completion accounting method, over billings to date. Deferred contract revenue represents the excess of billings to date, over the amount of contract costs and profit recognized to date, on the percentage of completion accounting method.

PROPERTY AND EQUIPMENT

All property and equipment is recorded in the accounts at cost. Additions and improvements are capitalized, maintenance and repair expenses are charged to income as incurred. The cost and the accumulated depreciation of property and equipment which is retired or sold, is removed from the accounts, and the gain or loss is recorded in income.

Depreciation is provided primarily on the declining balance method utilizing the following estimated lives:

Buildings	10 to 25 years
Construction equipment	3 to 10 years
Other	10 years

INCOME TAXES

The provision for income taxes recognizes the tax effects all income and expense transactions included in each year's statements regardless of the year the transactions are reported for tax purposes. Investment tax credits are applied to reduce income taxes payable when the qualifying assets are placed into service and applied to increase income taxes payable when the qualifying assets are sold.

The deferred income taxes arise primarily from the difference between the depreciation claimed for tax purposes and the depreciation recorded in the accounts.

EARNINGS PER SHARE

Computations of earnings per share amounts are based on the weighted average number of shares outstanding during the respective years in accordance with generally accepted accounting principles applicable in Canada (1979 - 8,281,401 shares; 1978 - 8,273,199 shares). The additional number of shares issuable upon the potential exercise of employees' stock options and upon the potential conversion of the convertible debenture have not been included, since the effect would not be material.

RETIREMENT AND INCENTIVE COMPENSATION PLANS

The Company has a non-contributory pension plan which covers its executive, professional, administrative and clerical employees, subject to certain specified service requirements. Under the pension plan, the Company provides for the normal service cost, plus an amount to fund the past service liability over the next 14 years. An actuarial valuation for this plan is prepared every three years.

The Company has an incentive compensation plan for certain key employees which provides for payment to be made to such employees, based on the attained level of profitability of the Company. Amounts payable under this plan are accrued and charged to income in the current year, while payments are made in the year following.

Auditors' Report

TO THE SHAREHOLDERS OF
MAJESTIC WILEY CONTRACTORS LIMITED:

We have examined the consolidated balance sheets of Majestic Wiley Contractors Limited (an Ontario corporation) and its subsidiaries as of December 31, 1979 and 1978, and the related consolidated statements of income, retained earnings and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements present fairly the financial position of the Company and its subsidiaries as of December 31, 1979 and 1978, and the results of their operations and the changes in their financial position for the years then ended, in accordance with generally accepted accounting principles consistently applied during the periods.

Calgary, Alberta
February 1, 1980

ARTHUR ANDERSEN & CO.
CHARTERED ACCOUNTANTS

Consolidated Balance Sheets

As At December 31. 1979 and 1978

Assets

	1979	1978
Current assets:		
Cash, including short-term investments of $7,839,000 (1978 – $14,769,000)	$9,572,000	$15,394,000
Accounts receivable	9,192,000	5,761,000
Unbilled work	1,717,000	107,000
Prepaid expenses	74,000	295,000
Total current assets	20,555,000	21,557,000
6% mortgage receivable, due September 15, 1987	44,000	49,000
Property and equipment, at cost:		
Land	54,000	23,000
Buildings	1,980,000	953,000
Construction equipment	25,060,000	29,082,000
Other	148,000	105,000
	27,242,000	30,163,000
Less accumulated depreciation	18,535,000	20,084,000
Net property and equipment	8,707,000	10,079,000
Other assets, at cost:		
Operating authorities	184,000	184,000
Other	8,000	9,000
Total other assets	192,000	193,000
	$29,498,000	$31,878,000

Approved by the Board:

J.M. Stanton Director

V. N. Oradchuk Director

The accompanying summary of accounting policies and notes are an integral part of the consolidated financial statements.

Liabilities and Shareholders' Equity

	1979	1978
Current liabilities:		
Accounts payable	$1,962,000	$1,514,000
Accrued liabilities	1,308,000	1,249,000
Dividend payable	—	1,655,000
Deferred contract revenue	615,000	247,000
Income taxes payable	978,000	1,686,000
Current portion of long-term debt (Note 2)	1,500,000	—
Total current liabilities	6,363,000	6,351,000
Long-term debt (Note 2)	—	1,500,000
Deferred income taxes	3,029,000	3,571,000
Shareholders' equity:		
Capital stock (Note 3):		
Authorized — 20,000,000 shares without nominal or par value		
Issued and fully paid — 8,303,318 shares (1978 — 8,273,199 shares)	7,908,000	7,818,000
Contributed surplus	3,082,000	3,082,000
Retained earnings	9,116,000	9,556,000
Total shareholders' equity	20,106,000	20,456,000
	$29,498,000	$31,878,000

Consolidated Statements of Income

For The Years Ended December 31, 1979 And 1978

	1979	1978
Revenues	$29,563,000	$48,514,000
Operating expenses:		
Cost of operations	30,866,000	44,588,000
General and administrative expenses	2,650,000	2,540,000
Total operating expenses	33,516,000	47,128,000
(Loss) income from operations	(3,953,000)	1,386,000
Other items:		
Interest on long-term debt	(105,000)	(173,000)
Other income and expenses, net (Note 5)	2,751,000	3,104,000
Total other items	2,646,000	2,931,000
(Loss) income before income taxes	(1,307,000)	4,317,000
(Recovery of) provision for income taxes (Note 4)	(867,000)	1,627,000
Net (loss) income	$(440,000)	$2,690,000
(Loss) earnings per share	(5.3¢)	32.5¢

The accompanying summary of accounting policies and notes are an integral part of the consolidated financial statements.

Consolidated Statements of Retained Earnings

For The Years Ended December 31, 1979 And 1978

	1979	1978
Balance, beginning of year	$9,556,000	$8,521,000
Net (loss) income	(440,000)	2,690,000
Cash dividend of 20¢ per share paid to shareholders of record on December 29, 1978	—	(1,655,000)
Balance, end of year	$9,116,000	$9,556,000

The accompanying summary of accounting policies and notes are an integral part of the consolidated financial statements.

Consolidated Statements of Changes in Financial Position

For The Years Ended December 31, 1979 and 1978

	1979	1978
Sources of working capital:		
Net (loss) income	$(440,000)	$2,690,000
Depreciation	2,228,000	2,675,000
Deferred income taxes	(542,000)	373,000
(Gain) on sales of equipment	(1,384,000)	(1,739,000)
Provided by operations	(138,000)	3,999,000
Sales of equipment	2,317,000	3,951,000
Reduction of mortgage receivable	5,000	1,000
Proceeds from exercise of employee stock options	90,000	—
Other	1,000	—
Working capital provided	2,275,000	7,951,000
Uses of working capital:		
Purchases of property and equipment	1,789,000	2,644,000
Reduction of long-term debt	1,500,000	1,573,000
Dividend payable	—	1,655,000
Working capital used	3,289,000	5,872,000
(Decrease) increase in working capital	(1,014,000)	2,079,000
Working capital, beginning of year	15,206,000	13,127,000
Working capital, end of year	$14,192,000	$15,206,000

The accompanying summary of accounting policies and notes are an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements

December 31, 1979 and 1978

1. JOINT VENTURES

The Company, in the normal conduct of its construction operations, has entered into certain business arrangements referred to as joint ventures. Such arrangements enable each joint venture participant to spread the business risk by committing to a predetermined percentage of interest to supply capital and to share in the income or loss of a project.

The Company's pro rata share of joint venture operations has been included in the consolidated statements as follows:

	1979	1978
Balance Sheets:		
Cash	$71,000	$212,000
Accounts receivable	415,000	697,000
	486,000	909,000
Accounts payable	--	2,000
Accrued liabilities	82,000	277,000
Deferred contract revenue	259,000	142,000
	341,000	421,000
Company's investment in joint ventures	$145,000	$488,000
Income Statements:		
Revenues	$(40,000)	$2,806,000
Cost of operations	17,000	2,483,000
(Loss) income from joint venture operations	$(57,000)	$323,000
Statements Of Changes In Financial Position:		
Working capital provided by joint venture operations	$(57,000)	$323,000

2. LONG-TERM DEBT

	1979	1978
7% convertible debenture payable to major shareholder (Perini Limited), due March 1, 1980	$1,500,000	$1,500,000
Due within one year	(1,500,000)	--
	$ --	$1,500,000

The convertible debenture is unsecured and is convertible into 150,000 shares of the Company at any time prior to March 1, 1980.

3. CAPITAL STOCK

The Company has a stock option plan, whereby certain key employees are granted options exercisable during the period of five years from the date of the grant at a rate of 20% of the total optioned shares per year on a partially cumulative basis. The proceeds from options exercised for shares are credited to issued and fully paid capital stock.

Following is a summary of transactions and events which affected the number of shares under the various option agreements during the year ended December 31, 1979:

a. Total options:

		Number Of Shares				
Date Option Granted	Price Per Share	Opening Balances	Options Granted	Options Exercised	Options Expired Or Cancelled	Closing Balances
May 1, 1974	$3.74	31,835	--	--	31,835	--
July 24, 1974	$3.69	3,200	--	--	3,200	--
October 27, 1975	$2.12	5,060	--	3,200	--	1,860
August 23, 1979	$3.06	--	218,890	26,919	--	191,971
October 23, 1979	$2.80	--	12,825	--	--	12,825
		40,095	231,715	30,119	35,035	206,656

b. Options exercisable during the year:

Date Option Granted	Price Per Share	Opening Balances	Options Granted	Options Exercised	Options Expired Or Cancelled	Closing Balances
		Number Of Shares				
May 1, 1974	$3.74	31,835	--	--	31,835	--
July 24, 1974	$3.69	3,200	--	--	3,200	--
October 27, 1975 ...	$2.12	3,220	1,840	3,200	--	1,860
August 23, 1979	$3.06	--	43,778	26,919	--	16,859
October 23, 1979 ...	$2.80	--	2,565	--	--	2,565
		38,255	48,183	30,119	35,035	21,284

As at December 31, 1979, the following shares of the Company have been reserved for possible issue:

For possible exercise of existing stock options	206,656
For possible future stock options	25,221
For possible conversion of 7% convertible debenture	150,000
	381,877

4. INCOME TAXES

The (recovery of) provision for income taxes is comprised of the following:

	Canadian	Foreign	Total
1979			
Current	$74,000	$(399,000)	$(325,000)
Deferred	(542,000)	--	(542,000)
	$(468,000)	$(399.000)	$(867,000)
1978			
Current	$525,000	$729,000	$1,254,000
Deferred	373,000	--	373,000
	$898,000	$729,000	$1,627,000

The recovery for the year ended December 31, 1979 is more, and the provision for the year ended December 31, 1978 is less, than the amounts calculated using statutory rates in effect during the years, due to the adjustment of prior years' estimates of foreign taxes.

5. OTHER INCOME AND EXPENSES, NET

	1979	1978
Income from short-term investments	$1,438,000	$793,000
Gain on sales of equipment	1,384,000	1,739,000
Realized gain on foreign exchange transactions	1,000	111,000
Unrealized (loss) gain on translation of foreign currency	(94,000)	403,000
Other	22,000	58,000
	$2,751,000	$3,104,000

6. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The aggregate direct remuneration paid to the Directors and Senior Officers for the years ended December 31, 1979 and 1978 is as follows:

	1979		1978	
	Amount	Number	Amount	Number
Directors who are not Senior Officers	$12,000	4	$9,000	4
Directors who are also Senior Officers	380,000	2	236,000	2
	392,000	6	245,000	6
Senior Officers who are not Directors	332,000	5	198,000	4
	$724,000	11	$443,000	10

7. EMPLOYEE BENEFIT PLANS

The amounts provided under the terms of the non-contributory pension plan and the incentive compensation plan are as follows:

	1979	1978
Pension plan	$153,000	$150,000
Incentive compensation plan	15,000	300,000*
	$168,000	$450,000

*paid during the year ended December 31, 1979 and included in the direct remuneration paid during 1979 in Note 6 above.

At November 1, 1978, the date of the most recent actuarial valuation, the actuarially computed value of vested benefits under the pension plan exceeded the total of the pension funds by approximately $105,000. This unfunded past service cost at November 1, 1978 amounted to $105,000.

8. LONG-TERM LEASES

The Company leases an administrative and operating facility on a long-term basis. Total rental expense amounted to approximately $84,000 for the year ended December 31, 1979 and approximately $49,000 for the year ended December 31, 1978.

Following are the estimated payments relating to the long-term lease to the date of expiry in 1981, not including the renewal option for an additional period of three years from that date:

1980	$84,000
1981	$35,000

9. CONTINGENCIES

Contingent liabilities include the usual liability of contractors for performance and completion of both Company and joint venture construction contracts.

Summary of Consolidated Balance Sheets

(in thousands of dollars)

	1979	1978	1977	1976	1975	1974
Current assets	$20,555	$21,557	$15,990	$17,687	$10,824	$9,002
Less current liabilities	(6,363)	(6,351)	(2,863)	(9,720)	(5,468)	(6,251)
Working capital	14,192	15,206	13,127	7,967	5,356	2,751
Mortgage receivable	44	49	50	-	-	-
Net property and equipment	8,707	10,079	12,322	15,997	18,968	21,964
Operating authorities and incorporation expenses	192	193	193	193	193	194
Less:						
Long-term debt	-	(1,500)	(3,073)	(3,116)	(5,209)	(9,200)
Deferred income taxes	(3,029)	(3,571)	(3,198)	(2,885)	(3,975)	(3,920)
Shareholders' equity	$20,106	$20,456	$19,421	$18,156	$15,333	$11,789

Summary of Consolidated Income Statements

(in thousands except for per share amounts)

	1979	1978	1977	1976	1975	1974
Revenues	$29,563	$48,514	$48,612	$125,093	$108,106	$32,049
Cost of operations	30,866	44,588	45,010	117,699	98,582	30,871
Gross (loss) profit from operations	(1,303)	3,926	3,602	7,394	9,524	1,178
General and administrative expenses	2,650	2,540	2,157	1,700	1,861	2,078
Income (loss) from operations	(3,953)	1,386	1,445	5,694	7,663	(900)
Other income and (expense), net	2,646	2,931	964	304	(453)	(88)
Income (loss) before income taxes	(1,307)	4,317	2,409	5,998	7,210	(988)
Income taxes	(867)	1,627	1,147	3,179	3,676	99
Net income (loss)	$(440)	$2,690	$1,262	$2,819	$3,534	$(1,087)
Earnings (loss) per share	(5.3¢)	32.5¢	15.3¢	34.0¢	42.7¢	(13.1¢)
Weighted average shares outstanding	8,281	8,273	8,272	8,270	8,262	8,255

Note:
Majestic Wiley Contractors Limited was formed by amalgamation effective May 1, 1974. The above income statement for the year ended December 31, 1974 is unaudited and has been restated to reflect operations both prior to and subsequent to amalgamation during 1974.

Corporate Information

MAJESTIC WILEY CONTRACTORS LIMITED
And Its Subsidiaries

BOARD OF DIRECTORS:

J.M. Bankes
Chairman of the Board, Majestic Wiley Contractors Limited

J.B. Barber(1)
Retired Executive, formerly Vice Chairman of the Board and Senior Vice President, The Algoma Steel Corporation, Limited

J.E. Maybin(1)
Chairman of the Board and Chief Executive Officer, Canadian Utilities Limited

V.N. Osadchuk
President and Chief Executive Officer, Majestic Wiley Contractors Limited

D.B. Perini
Chairman of the Board, President and Chief Executive Officer, Perini Corporation

R.H. Walker(1)
Financial Consultant

(1) member of the Audit Committee of the Board of Directors

OFFICERS:

J.M. Bankes, Chairman of the Board of Directors
V.N. Osadchuk, President and Chief Executive Officer
G.S. Hagglund, Vice President, Finance
J.G. Nash, Vice President, U.S. Operations
G.M. Oswald, Vice President, Construction
J.K. Halladay, Secretary-Treasurer
L.G. Wasylynchuk, Comptroller

TRANSFER AGENT AND REGISTRAR:
Montreal Trust Company, Calgary and Toronto

STOCK EXCHANGE LISTING:
The Toronto Stock Exchange (symbol MWC)

BANKERS:
The Royal Bank of Canada

AUDITORS:
Arthur Andersen & Co., Chartered Accountants

COMPANY OFFICES:

P.O. Box 8205, Station F
Edmonton, Alberta, Canada T6H 4P1
Telephone – (403) 988-6421
Telex - 037-41558

Box W
Lakeville, Minnesota, U.S.A. 55044
Telephone – (612) 469-4411
Telex – 29-0954

J.L. Cox & Son, Inc.
777 Action Street
Odessa, Missouri, U.S.A. 64076
Telephone – (816) 633-7526
Telex – 42-6284

ANNUAL GENERAL MEETING:

All shareholders are invited to attend the Annual and General Meeting of Shareholders to be held on May 12, 1980 at 10:00 a.m. (local time) in the Hanlan Room of the Plaza II Hotel, Toronto, Ontario, Canada.

MAJESTIC WILEY

MAJESTIC WILEY CONTRACTORS LIMITED

April 3, 1980

The Globe and Mail
440 Front Street W.
TORONTO, Ontario
M5V 1B6

ATTENTION: The Financial Editor

Gentlemen:

Our Annual Meeting will be held this year at the Hotel Plaza II, Toronto, on May 12, 1980 at 10:00 A.M. in the Hanlan Room.

The Chairman of our Board, J. M. Bankes, and our President, A. J. Cressey, extend a cordial invitation to you to join us at this meeting. We do not anticipate a long meeting and we would appreciate the opportunity to meet with you again.

We enclose a Copy of our Annual Report for your perusal.

Cordially yours,

MAJESTIC WILEY CONTRACTORS LIMITED

J. K. Halladay
Secretary-Treasurer

JKH/js
Enclosure

P.O. BOX 8205, STN. "F" EDMONTON, ALBERTA T6H 4P1 — TEL: (403) 988-6421, TELEX: 037-41558